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10/681,916	10/10/2003	Geoffrey Maseruka	6171	7684

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EXAMINER

LEVINE, ADAM L

ART UNIT	PAPER NUMBER
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3625

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/681,916	Applicant(s) MASERUKA, GEOFFREY	
	Examiner ADAM LEVINE	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 September 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,3-16,18,20 and 22-24 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,3-16,18,20 and 22-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 10 September 2008 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Applicant's amendments and remarks filed September 10, 2008, are responsive to the office action mailed May 13, 2008. Claims 1, 4, 9, 13, and 16 are amended. Claims 2, 17, 19, and 21 are cancelled. Claims 22-24 are new. In addition replacement drawing sheets 1-9 have been filed including figures 1-9, and amendments to the specification have been filed replacing the paragraph at page 2 lines 3-5 (§0007 of the published application), and the paragraph at page 14 line 25 through page 15 line 19 (§0075 – 0089 of the published application). Claims 1, 3-16, 18, 20, and 22-24 are therefore currently pending and examined in this office action.

Response to Amendment

Pertaining to objection to the specification in the previous office action

The disclosure was objected to because of informalities. The amendment of the paragraph at page 2 lines 3-5 (§0007 of the published application) has overcome this objection. It is withdrawn.

Pertaining to objection to the drawings in the previous office action

The drawings were objected to because lines, numbers and letters were not uniformly thick and well defined, and numbers and reference characters were not plain and legible. The replacement drawing sheets have overcome this objection and it is withdrawn.

Pertaining to the order of appearance of dependent claims in the previous office action

It was noted that claims 4, and 18-21 depended from dependent claims but were separated from those claims by other dependent claims that did not also depend from said dependent claims. The amendments have resolved this matter. It should be noted however that in general applicant's sequence will not be changed. See MPEP § 608.01(n).

Pertaining to rejection under 35 USC 112, second paragraph, in the prior office action

Claims 1-9 and 13-21 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. These matters have been resolved by the amendments. This rejection is withdrawn.

Response to Arguments

Pertaining to rejection under 35 USC 101 in the previous office action

Applicant's arguments filed September 10, 2008, have been fully considered but they are not persuasive. Please note that the standard of review for statutory subject matter has changed since the previous office action.

Pertaining to rejection under 35 USC 102 in the previous office action

Applicant's arguments with respect to claims 1-21 have been considered but are moot in view of the new ground(s) of rejection. In response to applicant's argument that the references fail to show certain features of applicant's invention, however, it is noted that the features upon which applicant relies (i.e., "finding shelf space in a store") are

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not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). This is noted also in order to make applicant aware that the claims are merely addressed to a system and method of providing information to human users and allowing them to communicate (negotiate) with each other. Putting the information into use in a functional manner is undertaken by the users using their own analysis and judgment. As a result the subject matter that applicant argues is distinguishing is not presented in the claims as a functional limiting element, but merely as information registered, stored, maintained, and transmitted. The actual utility that applicant is claiming occurs as a result of the process taking place within the minds of the users. This is not patentable subject matter and therefore also not a distinguishing limitation.

Claim Objections

1. **Claim 1 is objected to because of the following informalities:** It is unclear whether the invention itself comprises a main computer or the product comprises a main computer. Examiner understands this was intended to refer to the invention comprising a main computer. Appropriate correction is required.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1, 3-16, 18, 20, and 22-24 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1, 3-9, 13-16, 18, 20, and 22-24 provide for the use of various subsystems, but, since the claims do not set forth any concrete and tangible system elements or steps involved in a method/process, it is unclear what apparatus, process, or other statutory class applicant is intending to encompass. A claim is indefinite where it merely recites the use of intangible or abstract elements.

Mere recitation in the preamble (i.e., intended use) or mere implication of employing a machine or article of manufacture does not confer statutory subject matter to an otherwise abstract idea. System components as claimed (and means) are lacking structural specificity and are potentially purely software components. If so, the claims are directed at a computer program not claimed as embodied in a computer-readable medium and as being implemented in a computer apparatus.

Computer programs claimed per se, i.e., the descriptions or expressions of the programs, are not physical "things." They are neither computer components nor statutory processes, as they are not "acts" being performed. Such claimed computer programs do not define any structural and functional interrelationships between the computer program and other claimed elements of a computer that permit the computer program's functionality to be realized. In contrast, a claimed computer-readable

medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory. Accordingly, it is important to distinguish claims that define descriptive material per se from claims that define statutory inventions. MPEP 2106 IV B 1 (a).

The present claims contain a recitation in preamble that the system is web based comprising a main computer. This is insufficient because the claims do not set forth any concrete and tangible system elements and for the reasons further explained above. In addition it is unclear whether the invention itself comprises a main computer or the product comprises a main computer.

Claims 10-12 are directed to a process that does nothing more than manipulate an abstract idea. Mere recitation in the preamble (i.e., intended use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea. System components as claimed (and means) are software components lacking structural specificity. For subject matter to be statutory, the claimed process must be limited to a practical application of the abstract idea or mathematical algorithm. See *In re Alappat* 33 F.3d at 1543, 31 USPQ2d at 1556-57 (quoting *Diamond V. Diehr*, 450 U.S. at 192, 209 USPQ at 10). A claim is limited to a practical application when the method, as claimed, produces a concrete, tangible and useful result: i.e. the method recites a step or act of producing something that is concrete, tangible and useful. See *AT&T v. Excel Communications Inc.*, 172 F.3d at 1358, 50 USPQ2d at 1452.

The first step in determining whether a claim recites patent eligible subject matter is to determine whether the claim falls within one of the four statutory categories of invention recited in 35 USC 101: process, machine, manufacture and composition of matter. The latter three categories define "things" or "products," while a "process" consists of a series of steps or acts to be performed. For purposes of section 101, a "process" has been given a specialized, limited meaning by the courts. Based on Supreme Court precedent and recent Federal Circuit decisions, a process must (1) be tied to a particular machine or apparatus, or (2) transform a particular article to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process. See *In re Bilski*, 2008 U.S. App. LEXIS 22479. An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

A claim that involves a process that transforms a particular article may be patentable under § 101. See *Diehr*, 450 U.S. at 184 (holding a process that involved calculations using the "Arrhenius equation" patentable because the claim "involve[d] the transformation of an article, in this case raw, uncured synthetic rubber, into a different state or thing"). Processes involving mathematical algorithms used in computer technology may be patentable if they are tied to a specific machine or apparatus. Mental processes—or processes of human thinking—standing alone are not patentable even if they have practical application. The Supreme Court has stated that "[p]henomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and

technological work." *Benson*, 409 U.S. at 67 (emphasis added). In *Flook* the patentee argued that his claims did not seek to patent an abstract idea (an algorithm) because they were limited to a practical application of that idea—updating "alarm limits" for catalytic chemical conversion of hydrocarbons. 437 U.S. at 586, 589-90. The Court rejected the notion that mere recitation of a practical application of an abstract idea makes it patentable, concluding that "[a] competent draftsman could attach some form of post-solution activity to almost any mathematical formula." *Id.* at 590. Since all other features of the process were well-known, including "the use of computers for 'automatic monitoring-alarming,'" the Court construed the application as "simply provid[ing] a new and presumably better method for calculating alarm limit values." *Id.* at 594-95. The Court held the application unpatentable because "if a claim [as a whole] is directed essentially to a method of calculating, using a mathematical formula, even if the solution is for a specific purpose, the claimed method is nonstatutory." 437 U.S. at 595 (quoting *In re Richman*, 563 F.2d 1026, 1030 (CCPA 1977)).

In order to qualify as a statutory process, therefore, claims should positively recite the machine or apparatus to which they are tied, for example by identifying the machine or apparatus that accomplishes the method steps, or they should positively recite the particular article that is being transformed, for example by identifying the material that is being changed to a different state. There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation is generally insufficient to render an otherwise ineligible method claim patent eligible. This means the machine or transformation must impose meaningful limits on the method claim's

scope to pass the test. Second, insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. This means reciting a specific machine or a particular transformation of a specific article in an insignificant step, such as data gathering or outputting, is not sufficient to pass the test.

Claims 10-12 recite no machine or apparatus and do not transform a particular article to a different state or thing. They recite purely mental steps that can only potentially be inferred to relate to tangential extra-solution activity.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1, 3-16, 18, 20, and 22-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US Patent No. 7,340,419 B2; prior publication 2002/0133407 A1) in view of "FIELDS AND FULMER" (Non Patent Literature cited in form PTO-892 item U).

Walker teaches all the limitations of claims 1, 3-16, 18, 20, and 22-24. For example, Walker discloses web based (see at least column 4 lines 45-55) systems and methods for marketing products comprising registration of suppliers and information regarding products, registering of vendors and their information, requesting display of products by vendors, and the transacting of sales of products with compensation to

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vendor and supplier. Please note: the information describing suppliers, vendors, products, etc., is descriptive material and is not functionally involved in the recited steps of the method. Because it has no functional role in the method it is non-functional descriptive material. This descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381 , 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). MPEP 2106). Walker further discloses:

- providing information on a product and a supplier of said product: registration of suppliers of products and information with respect to said products, cataloguing specifications of products and identification with respect to product contact persons (see at least figs.1-2, 4-7; column 3 lines 38-46, column 5 lines 29-47, column 6 lines 1-7, column 7 lines 4-10); supplier registration includes a first section for supplier registration information (see above), a second section for rules of use, a third section which generates username and password information for said supplier (see at least column 3 lines 3-11, column 8 lines 35-44);
- providing information on vendors: with available shelf space to display said product, said information including information on available shelf space and cost of said shelf space, registration of vendors with shelf space available to display said products and registration of information with respect to available shelf space and associated fees, registration of vendors and vendor contact information, section for rules of use and a section that generates username and password information for said vendor (see at least fig.6, column 2 lines 14-22, column 3 lines 3-11, column 8 lines 35-44, 50-61. Please note: providing and registering

vendors and information concerning the vendors is being given functional weight by the examiner, however, the descriptive information within each detail maintained is nonfunctional descriptive matter. For example, the functional aspect of the information is that it has bearing on the ability of the vendor to perform, however, the specific information is nonfunctional because it does not affect the function of the systems and methods. Nonetheless the examiner believes most if not all of the information listed above is in fact disclosed in the reference);

- negotiating with said vendors for desired shelf space: the supply and display of said product and payment for the display and sale of said products, suppliers and vendors negotiate, contact persons negotiate (see at least abstract, figs.5,7; column 2 lines 14-22, 48-54; column 3 lines 3-11); messaging systems to permit vendors and suppliers to send messages to each other (see at least column 4 lines 45-54, column 5 lines 1-14, column 6 lines 1-21);
- supplying said products to said vendors for display and sale: viewing registered products by location and category (see at least abstract, figs. 5,7; column 2 lines 14-22, 48-67; column 9 lines 13-28);
- accounting for the sale of said products by said vendors: account section for maintaining account of products shipped, cost of shelf space, sales information, incoming products, inventory and sales, payments, product information, outgoing product section, sales report section, product returns section, direct sales order section and a messaging section, services and fee section, incoming product

section, inventory and sales section (see at least fig.2, column 4 lines 45-54, column 5 lines 1-14, column 6 lines 1-21, column 8 lines 20-34, column 9 lines 34-45. Please note: maintaining accounts is being given functional weight by the examiner, however, the descriptive information within each detail maintained is nonfunctional descriptive matter. Nonetheless the examiner believes most if not all of the information listed above is in fact disclosed in the reference);

- providing supplier with a predetermined percentage of said sales: (see at least figs.3,5; column 4 lines 55-67, column 6 line 58- column 7 line 3).
- subsystems are operably interconnected through the internet: computer is accessible by said suppliers and said vendors through internet connection means via the web, system is web based, maintained by a web provider (see at least column 4 lines 45-60, column 5 lines 29-48, column 7 lines 33-46. Please note: the identity of the entity that maintains the system is not patentable subject matter, nor is it patentably distinguishing. If it were, any entity desiring to use a previously patented invention could simply draft an application naming themselves as the user);
- direct sales of products: (see at least column 2 lines 55-67, column 3 lines 12-19).

Walker teaches all of the above as noted and teaches a) accepting products from suppliers for display, b) accepting competing products from other suppliers for display in proximity to similar products, c) negotiations between the vendor and suppliers for display space, d) registration of information from suppliers and vendors regarding

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products and information regarding relevant display space, and e) the value of limited physical display spaces in stores (see at least column 2 lines 14-22), but Walker does not explicitly disclose the application of the systems and method to negotiation for the vendors' actual physical shelf space. Fields and Fulmer teaches a) accepting products from suppliers for display, b) accepting competing products from other suppliers for display in proximity to similar products, c) negotiations between the vendor and suppliers for display space, and d) the value of limited physical display spaces in stores and also teaches negotiation for the vendors' actual physical shelf space (see at least page 1 abstract, ¶¶2-3; page 2). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the systems and methods of Walker to include negotiation for the vendors' actual physical shelf space, as taught by Fields and Fulmer, in order to extend the use of the systems and methods to a wider range of commercial opportunities and thereby increase its use in commerce.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to ADAM LEVINE whose telephone number is (571)272-8122. The examiner can normally be reached on M-F, 8:30-5:00 Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571.272.6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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January 27, 2009
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